

Department of Social and Health Services

DP Code/Title: M2-TH DDDS - SSA Required FTEs

Program Level - 080 Medical Assistance

Budget Period: 2003-05 Version: H2 080 2003-05 2004 Sup-Agency Req

Recommendation Summary Text:

The Medical Assistance Administration (MAA) requests additional positions that are to meet customer needs in an effective and timely fashion. The increased need is driven by the number of disability determinations projected by the Social Security Administration (SSA). Statewide result number 4.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	53,000	66,000	119,000
001-2 General Fund - Basic Account-Federal	1,008,000	1,263,000	2,271,000
Total Cost	1,061,000	1,329,000	2,390,000

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	13.8	18.2	16.0

Package Description:

The Division of Disability Determination Services (DDDS) is obligated to adjudicate disability determinations for persons who claim disability under Title II of the SSA under an operating agreement with the SSA. Since Federal Fiscal Year 2002, DDDS has processed over 73,000 federal and state claims annually. This number is expected to grow to more than 84,500 cases through Federal Fiscal Year 2005. In order to meet the workload demands resulting from the projected claims volume, DDDS will require a larger FTE level than is presently allotted.

SSA provided funding for an FTE level of 282.0 in Federal Fiscal Year 2003 during which DDDS processed 72,358 federal and 4,200 state cases. Based on SSA workload projections, DDDS anticipates 77,358 federal and 6,400 state cases in Federal Fiscal Year 2004, 7,200 more cases than in Federal Fiscal Year 2003 and a volume increase of 9.4 percent. The SSA is prepared to fund DDDS with 296.4 FTEs in Federal Fiscal Year 2004 to accomplish this goal. This trend is expected to persist through Federal Fiscal Year 2005 when 81,535 claims are projected for adjudication. DDDS anticipates the need for 305.0 FTEs to meet this projected Federal Fiscal Year 2005 workload. SSA has indicated that DDDS will be given the resources it needs to meet production goals for Federal Fiscal Year 2004.

As authorized adjudicative agency for Social Security disability claims, DDDS receives approximately 95 percent of it's funding from SSA. State funding of disability claims is approximately five percent of the DDDS budget. DDDS presently has a budgeted FTE level of 282.6 in State Fiscal Year 2004 and 286.8 in State Fiscal Year 2005. At these FTE levels, DDDS would be challenged to process disability claims at Federal Fiscal Year 2003 caseload levels.

Narrative Justification and Impact Statement

How contributes to strategic plan:

The requested FTEs are required so MAA can continue effective administration of medical assistance programs by making disability determinations that meet federal timeliness and accuracy requirements.

Performance Measure Detail

Program: 080

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Goal: 10H Assure access to high quality health care

No measures submitted for package

Incremental Changes

FY 1

FY 2

Goal: 16H Enhance Capabilities to Accurately Determine Client Eligibility

No measures submitted for package

Incremental Changes

FY 1

FY 2

Reason for change:

Rules governing states' operation of disability determination units require that DDDS fulfill the workload requirements necessary for meeting federal adjudication standards as reflected in federally approved spending plans for these services. These spending plans are submitted annually to the SSA for review and approval.

The DDDS workload is determined by SSA in September of each year. This workload estimate, based on historical trends, may change with the MAA forecast. According to the SSA, the basis for the expected workload increases are as follows:

- The Baby Boomer Generation is nearing retirement age. This percentage of the national population will now begin to apply for SSA benefits, which is going to increase the intake of Disability Determination Services nationwide.
- Washington State's economy is expected to recover at a slower rate than is anticipated for the nation as a whole.
- With Boeing and the Dot-Com Companies layoffs, a portion of these laid-off workers will apply for SSA benefits once unemployment benefits run out, commencing in the ensuing biennium.

Impact on clients and services:

Approval of the additional FTEs and associated funding will assure timely adjudication of disability claims filed by Washington citizens and help to assure improved healthcare outcomes for these persons.

Impact on other state programs:

Timely and accurate adjudication of disability claims impacts the clients of a number of DSHS programs, including the Aging and Disability Services, Economic Services, and Health and Rehabilitative Services Administrations.

Relationship to capital budget:

Not applicable

Required changes to existing RCW, WAC, contract, or plan:

Not applicable

Alternatives explored by agency:

No other alternatives were explored as the rules governing states' operation of disability determination processes require that DDDS meet the workload requirements necessary for meeting federal adjudication standards.

Budget impacts in future biennia:

Costs will carry forward.

Distinction between one-time and ongoing costs:

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All costs are ongoing except \$150,000 in equipment.

Effects of non-funding:

Lack of funding will adversely impact the ability of DDDS to serve its clients and to meet federal expectations regarding timeliness and accuracy of disability claims adjudications.

Expenditure Calculations and Assumptions:

See attachment - M2-TH DDDS-SSA Required FTEs.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
A Salaries And Wages	629,000	830,000	1,459,000
B Employee Benefits	147,000	213,000	360,000
E Goods And Services	126,000	166,000	292,000
G Travel	33,000	44,000	77,000
J Capital Outlays	113,000	59,000	172,000
T Intra-Agency Reimbursements	13,000	17,000	30,000
Total Objects	1,061,000	1,329,000	2,390,000

DSHS Source Code Detail

Overall Funding	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources</u> <u>Title</u>			
0011 General Fund State	53,000	66,000	119,000
Total for Fund 001-1	53,000	66,000	119,000
Fund 001-2, General Fund - Basic Account-Federal			
<u>Sources</u> <u>Title</u>			
001B Social Security Disability Ins (100%)	1,008,000	1,263,000	2,271,000
Total for Fund 001-2	1,008,000	1,263,000	2,271,000
Total Overall Funding	1,061,000	1,329,000	2,390,000